GOVERNMENT OF INDIA
HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
LOK SABHA

UNSTARRED QUESTION NO:2651
ANSWERED ON:15.12.2015
Activities under CSR
Chaudhary Shri P.P.

Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

(a) whether Public Sector Undertakings have to undertake CSR activities only around their areas of operations and factories or they can undertake developmental works in any of the backward areas of the country; and

(b) if so, the guidelines issued by the Government regarding CSR work areas for PSUs both at the State and Central levels?

Answer

THE MINISTER OF STATE FOR HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
(SHRI G.M. SIDDESHWARA)

(a) & (b): Section 135 of the Companies Act, 2013 deals with the provision of Corporate Social Responsibility. As per first Proviso to Section 135 (5) of the Act, Company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for Corporate Social Responsibility activities. However, the Companies Act, 2013 and Companies (CSR Policy) Rules, 2014 notified thereunder do not restrict CPSEs to undertake CSR projects/ activities in other parts of the country, including backward areas with the approval of Board of Directors.
The second Proviso to Rule (6) (b) of Companies (CSR Policy) Rules, 2014 notified under Section-135 of the Act states that the Board of Directors of a CPSE shall ensure that activities included in its CSR Policy are related to activities covered in Schedule-VII of the Act, which lists the activities that can be undertaken by CPSEs under its CSR.
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